



CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	9/18/07	AGENDA REQUEST NO:	III I
INITIATED BY:	JODIE KALUZA ADMINISTRATIVE SERVICES MANAGER	RESPONSIBLE DEPARTMENT:	AVIATION
PRESENTED BY:	PHILLIP W. SAVKO DIRECTOR OF AVIATION	DEPARTMENT HEAD:	PHILLIP W. SAVKO <i>PHW</i> DIRECTOR OF AVIATION
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	ALL AROUND AVIATION LEASE CONSIDERATION OF AND ACTION ON LEASE FOR MAINTENANCE FACILITY		
EXHIBITS:	ALL AROUND AVIATION LEASE		
CLEARANCES		APPROVAL	
LEGAL:	MEREDITH WILGANOWSKI, <i>MW</i> ASSISTANT CITY ATTORNEY	EXECUTIVE DIRECTOR:	JOE ESCH, BUSINESS & INTERGOVERNMENTAL RELATIONS <i>JE</i>
PURCHASING:	N/A	ASST. CITY MANAGER:	N/A
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD <i>Allen Bogard</i>
BUDGET			
EXPENDITURE REQUIRED: \$		N/A	
AMOUNT BUDGETED/REALLOCATION: \$		N/A	
ADDITIONAL APPROPRIATION: \$		N/A	
RECOMMENDED ACTION			
Authorize and execute month-to-month lease between the City of Sugar Land and All Around Aviation for hangar and office space located at 12718 Diamond Drive.			

EXECUTIVE SUMMARY

Since the closure of Sugar Land Jet Center, the Sugar Land Regional Airport has been lacking a jet aircraft maintenance facility. Aircraft requiring urgent service are dependant on mobile maintenance crews from Hobby, Intercontinental or other facilities. Additionally, there are numerous requests for services such as nitrogen for aircraft tires that we must depend upon based tenants to fulfill. With the recent vacancy of the hangar located at 12718 Diamond Drive, airport management decided to seek a temporary jet maintenance facility to offer on site maintenance for these customers. Airport management issued a Request for Qualifications (RFQ) from maintenance facilities interested in operating a temporary facility at Sugar Land Regional Airport. Responses were received from Thomas Simon and All Around Aviation. After reviewing the qualifications of each, airport management recommends awarding the lease to All Around Aviation.

All Around Aviation (formerly Xpress Aviation) has been in business since 2000. The business is well known throughout Texas, Oklahoma and Louisiana for conducting mobile maintenance on business and corporate aircraft. The company is also an authorized vendor for the major fractional jet organizations (Bombardier Flexjet, Net Jets, Flight Options and Citation Shares). The corporate office is located in Derby, Kansas; and the first location was founded at Dallas Love Field in 2000. From this facility, the maintenance team has been dispatched to Sugar Land on many occasions. In 2004, they expanded to Las Vegas- McCarren Airport; and in March 2007, a hangar was secured in Laredo to handle additional business in South Texas and Mexico.

All Around Aviation is aware this is a temporary arrangement that will be reviewed at least annually by the Director of Aviation, and they can be required to vacate the facility given proper notice at any time. The hangar from which they will be conducting maintenance services will be removed once the parallel taxiway construction begins. However, All Around Aviation has expressed an interest in constructing a permanent facility suitable for full-service jet maintenance once space is available on the airport.

All Around Aviation offers an opportunity to extend needed services to existing customers and an opportunity to attract additional aircraft to Sugar Land Regional Airport due to their relationship with fractional jet organizations.

EXHIBITS

CITY OF SUGAR LAND HANGAR LEASE FOR MAINTENANCE FACILITY ON AIRPORT PROPERTY

This Lease is made between the **CITY OF SUGAR LAND, (the City)**, a municipal corporation of the State of Texas, and Lessee. In consideration of the mutual covenants contained in this Lease, the parties agree as follows:

1. Summary of Terms. The following information and referenced documents are part of this Lease:

Lessee: **All Around Aviation**

Effective Date: **October 1, 2007**

Term: **Month-to-Month**

Rental: **\$2,960.00 monthly rental payment**

Attached Contract

Documents: **Exhibit A- Leased Premises**
Exhibit B- Minimum Standards & Requirements
Exhibit C- Airport Rules
Exhibit D- FAA Requirements
Exhibit E –Insurance Requirements applicable to Lessee

2. Definitions. In this Lease:

Airport means Sugar Land Regional Airport.

City means the City of Sugar Land, Texas.

Lessee means All Around Aviation, LLC

3. Leased Premises and Airport Use.

3.1. The City leases to Lessee and Lessee leases from the City the improved real property described in Exhibit A, located at the Airport.

3.2 Lessee may use the Leased Premises only for the purpose of conducting aviation related operations that comply with the Minimum Standards and Requirements applicable to Specialized Commercial Operator (Exhibit B), and for no other purpose, unless approved by the City's aviation director. Lessee must comply with the Airport Rules (Exhibit C) and the requirements of the Federal Aviation Administration (Exhibit D), and any amendments to Exhibits C or D hereafter made by the City, copies of which are kept on file by the City's aviation director.

3.3. Lessee is granted the non-exclusive use of all portions of the Airport that are open for use by the public for the purpose of landings, takeoffs, and taxiing of aircraft, on the same terms and conditions as are applicable to the public.

3.4. Lessee must not store any hazardous materials or toxic substances on the Leased Premises, except those materials and substances necessary and related to the performance of activities permitted on the Leased Premises. If any hazardous material spills or leaks are discharged on or from the Leased Premises arising from the acts or omissions of Lessee or Lessee's invitees or agents, Lessee must immediately make all repairs necessary to prevent further spills, leaks, or discharges and must immediately clean up the spill, remove any contaminated soil and promptly dispose of the same in accordance with the applicable law.

3.5. Lessee must comply, at its own expense, with all Federal regulations relating to Airport operations affecting their business throughout the term of this Lease.

3.6. The Lessee must not place or permit the placement of any sign, banner, flag, placard, or similar advertising devise on the Leased Premises so as to be visible outside of an enclosed building located on the Leased Premises, unless approved in writing in advance by the aviation director. Any sign approved by the aviation director that is governed by the City's sign regulations must comply with those regulations, including the requirement to obtain a permit from the City.

3.7. Lessee will comply with the following minimum operation standards:

3.7.1. **HOURS OF OPERATION:** Lessee will be open from 8:00 a.m. - 5:00 p.m. Monday through Friday; and 8:00 a.m. - 12:00 p.m. Saturdays. Thirty days prior to any holiday, Lessee must inform the aviation director in writing if the Lessee plans to be closed for the particular holiday.

3.7.2. **PARKING SPACES:** This Lease includes access to the Airport Terminal automobile parking lot. Customer or staff parking may not exceed the 23 marked spaces.

3.7.3 **AIRCRAFT DETAILING:** Detailing is allowed provided that the Lessee operates within the guidelines established by the City and within all Federal and State environmental laws. Lessee must provide a Storm Water Pollution Prevention Plan (SWP3) or Lessee must join the Airport's SWP3 plan as a co-permitee.

3.7.4 **DISPOSAL OF HAZARDOUS/NON-HAZARDOUS MATERIALS:** Lessee's disposal of all materials must comply with the guidelines set forth by the City and all Federal and State environmental laws.

3.7.5 **EMPLOYEES:** For security purposes, Lessee's employees must wear either a uniform or a company issued identity badge. Employees working on aircraft must hold the appropriate FAA issued licenses for the work they are performing. Employees authorized to operate towing equipment will do so in compliance with the Airport Vehicle Operations Policy and must be trained by Airport personnel.

4. Term and Termination.

4.1. The term of this Lease is from month-to-month, beginning on the effective date.

4.2. Either party may terminate this Lease at any time during the term of this Lease, with or without cause, by giving the other party written notice at least thirty days prior to the termination date.

4.3. If the Lessee fails to pay all or part of the rental as required by this Lease and the failure continues for five days past the date the rental is due, the City may immediately terminate this Lease by delivering the termination notice to Lessee or posting the termination notice on the Leased Premises, the termination to be effective on the date of delivery or posting.

4.4 If the improvements on the Leased Premises are so damaged or destroyed so that they may not be used for their intended purpose, as determined by the City, this Lease will immediately terminate on the date of the damage or destruction.

4.5. Upon termination of the Lease, the Lessee must immediately remove all personal property from the Leased Premises and must surrender the Leased Premises in substantially the same condition as existed at the beginning of the Lease, normal wear and tear excepted.

5. Rentals, Payments, and Deposits.

5.1. Lessee must pay to the City a rental payment of \$2,960.00 each month.

5.2 As a condition of the City executing this Lease, the Lessee must pay the first month's rent and a deposit equal to one month's rent.

5.3 For the second month and for each month thereafter, Lessee must pay the City the monthly rental before the first day of the month. If that date falls on a Saturday, Sunday, or City holiday, the monthly rental is due on the next City business day.

5.4 Each monthly rental payment is due on the first City business day of each month without notice or billing from the City and will be delivered to the City's Finance Department, P.O. Box 5029, Sugar Land, Texas 77487-5029, or to the department and address as specified by the City in writing from time-to-time.

5.5 Any monthly rental payment not paid by the 15th day of the month due is delinquent and shall include an additional monetary amount, as a penalty, equal to five percent of the monthly rental due for that month. All rental payments which are past due more than 30 days will accrue simple interest at the rate of 18 percent annually on the overdue amount.

5.6 Upon termination of this Lease, the deposit paid by Lessee will be applied to any unpaid rental, the repairs to the Leased Premises for which Lessee was liable under the Lease, and for the cost of any removal or disposal of trash, debris, signs, or property left on the Leased Premises by Lessee. The Lessee is liable to the City for any remaining rental due and the cost of repairs or cleanup in excess of the amount of the deposit. Any monies from the deposit remaining after all lawful deductions are made by the City will be returned to the Lessee.

6. Improvements, Repairs, and Maintenance.

6.1 The Lessee may not make any structural or permanent modifications or improvements to the Leased Premises without the prior written consent of the City. The Lessee must obtain required permits from the City prior to commencement of structural or permanent modifications or improvements to the Leased Premises. Any structural or permanent improvements or modifications of the Leased Premises approved by the City become the property of the City upon termination of the Lease.

6.2 Lessee must make any repairs to the Leased Premises arising from normal wear and tear that do not exceed \$200.00.

6.3 Lessee must, to the satisfaction of the aviation director, keep and maintain the Leased Premises in a clean and sanitary condition. The Lessee must provide or pay for the cost of removing and disposing of solid waste from the Leased Premises. The aviation director may issue and Lessee must comply with any written directive regarding the type, location, and screening of trash containers maintained by the Lessee or its contractor outside any building.

7. Taxes, Utilities, and Insurance.

7.1 Lessee must pay, before they become delinquent, all taxes, assessments, and fees assessed or levied upon Lessee's property or leasehold interest.

7.2 The City will provide, maintain, and repair the facilities necessary to provide water and wastewater services to the restroom facilities within the Leased Premises.

7.3. Lessee must pay for all telephone, electric, cable television, gas and other telecommunication or utility services for the use and enjoyment of the Leased Premises. The City has the right, without charge by Lessee, to connect to power, gas, and communication lines or equipment as are now or later installed upon the Leased Premises and has the right of access to construct and maintain such connections. Lessee, however, is not be liable for any additional service fees or charges imposed by the utility provider as a result of such connection.

7.4. Lessee will obtain and maintain during this Lease, at Lessee's expense, insurance for the Leased Premises as set forth in Exhibit E to this Lease.

8. Miscellaneous Provisions.

8.1. Entire Agreements and Amendments. This Lease sets forth all of the understandings of the parties. Any modification of this Lease must be in writing and signed by the City.

8.2. Unlawful Use. Lessee and its employees and agents must not use or knowingly allow any other person to use the Leased Premises in violation of any federal, state, county, or local regulation, order, law, or ordinance applicable to the Leased Premises.

8.3. Notices. Any notice given under this Lease must be in writing and may be sent by mail; be delivered in person to the Lessee, its officers, employees, or agents; be posted on the Leased Premises; by mail or courier, or by telecopier; addressed as follows, or as the City or Lessee may hereafter designate by written notice:

To the City:

Director of Aviation
Sugar Land Regional Airport
City of Sugar Land
12888 Highway 6 South
Sugar Land, Texas 77487

With a copy to:

City Manager
City of Sugar Land
P.O. Box 110
Sugar Land, Texas 77487-0110

To Lessee:

All Around Aviation, LLC
11800 E. 79th St. South
Derby, Kansas 67037

8.4. Assignment and Subleases. Lessee may not assign this Lease or sublease any portion of the Leased Premises to any other person without the prior written consent of the City.

8.5. Right of Entry. The City has the right at any time to enter onto the Leased Premises for the purpose of inspecting the Leased Premises, making necessary repairs, additions or alterations as may be necessary for the safety, improvement, or preservation of the Leased Premises.

8.6 Law Governing and Venue. Texas law governs this Lease and any lawsuit on this Lease must be filed in a court that has jurisdiction in Fort Bend County, Texas.

LESSEE

By: _____

Date: _____

CITY OF SUGAR LAND, TEXAS

I, _____, have verified that the City has received the first month's rent and required deposit as a condition of execution by the City.

By: _____

Date: _____

ATTEST:

Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

EXHIBIT A

Site Location

